



Natural Resources Conservation Service
One Credit Union Place, Suite 340
Harrisburg, Pennsylvania 17110-2993
Ph. (717) 237-2100 Fax: (717) 237-2238

February 26, 2008

PENNSYLVANIA BULLETIN NO. PA440-8-2

SUBJECT: PGM - Contract Review

Purpose: To provide instruction on Protract's Contract Review procedures.

Action By: April 1, 2008

Expiration Date: September 30, 2008

NRCS is required to annually review all open obligations that have been inactive for 12 months or more. For this purpose, inactive means practices scheduled for 2007 and prior with no payment or modification being processed. The attached worksheet lists all the Protracts contracts selected for this review that have contract items that were scheduled to be completed in 2007 and prior years and are in need of a Contract Review (NRCS-CPA-13) per requirements in the Conservation Program Manual (CPC), Title 440, Part 512.

The following are the procedures for the FY2008 Review:

- 1) According to the Conservation Program Manual, any Farm Bill contract currently from FY 2006 and prior that has had NO activity is out of compliance and the termination process should be in place. NRCS-CPA-153 should be completed and entered into Protracts. Letters of termination will be sent from the state office. In accordance with the regulations, landowners will be given 30 days to reply.
- 2) Farm Bill contracts that have had no activity in the past 12 months including 2007 contracts must have a NRCS-CPA-13, Contract Review completed. The NRCS-CPA-13 shall be entered in Protracts. In addition to the information automatically updated on the form from Protracts, a justification statement must be included in Text Box 7 explaining in detail the reason for the period of inactivity and the bona fide purpose of the remaining obligation. Examples of bona fide reasoning of inactivity are as follows:
 1. Contract is under appeal.
 2. Drought
 3. Flood
 4. Undue Hardship (example: financial or medical)



The participant MUST sign the completed NRCS-CPA-13 if a justification for inactivity is provided for the purpose of keeping the contract obligated. The Supervisory District Conservationist must sign electronically.

- 3) If there is not a valid reason for the period of inactivity, annotate on the spreadsheet under the details column that a modification will be prepared to deobligate the contract.

The completed NRCS-CPA-13 and/or NRCS-CPA-153, and the spreadsheet are to be returned to the State Office Financial Management Staff by April 1, 2008. Please note, Pat Dorman will be emailing the attachment separately to each Supervisory District Conservationist for their field teams. Program questions are to be directed to Ed Sanders or Barry Frantz.

/s/ William J. Bowers, Acting

CRAIG R. DERICKSON
State Conservationist

DIST: AE